

TO: Chairman and Members

DATE: January 13, 2011

SUBJECT: AB 900 Jail Construction Financing Program Update

AGENDA ITEM: B

ACTION:

INFORMATION: X

RESOURCE PERSON: Leslie Heller

Summary:

This agenda item provides the Corrections Standards Authority (CSA) Board with an update on the Assembly Bill (AB) 900 jail construction financing program activities.

Background:

The first of the AB 900 Phase I jail construction conditional awards were made by the Board in May 2008, with the latest award being made in November 2009 to Solano County. There are currently 11 counties with conditional awards, five of which are actively engaged in architectural or construction activities. From a broad perspective the overall program activities in recent months include:

- Counties and CDCR working through the requisite process of reentry facility siting – all but one county (Solano) has accomplished this and it is currently anticipated the Solano reentry siting will be completed in early 2011.
- The AB 900 Red Team was established in February 2010 to coordinate the required activities of the key state entities – CSA, California Department of Corrections and Rehabilitation, Department of General Services and Department of Finance. This was done to ensure that counties are prepared to move forward in the jail construction process. San Bernardino, San Diego, Calaveras, Madera and Solano counties are moving through the architectural and/or construction phases.
 - San Bernardino County has awarded a construction contract and is starting construction in January 2011. It is anticipated the county will draw its first state dollars in March 2011.
 - Legislation provided in AB 1628 signed in October 2010 allowed for the design-build construction delivery method for AB 900 jail projects. Since then the San Diego project was formally recognized by the State Public Works Board (SPWB) in the first formal step in the lease-revenue bond financing process. The county has proceeded to bid for a design-build entity to design and construct their project.
 - The Calaveras and Madera county projects have been established with the SPWB and both have nearly completed the architectural process. Both counties will be proceeding to bid for construction within the next few months.
 - Solano County has started the architectural process and the project awaits formal recognition by the SPWB. (Solano is pending the completion of the reentry siting requirement prior to commencing the SPWB process).
- Significant for counties moving through this process is the noteworthy event of projects receiving loan approval by the Pooled Money Investment Board for the actual construction

of the jail facility. This loan approval is the mechanism used to authorize the actual disbursement of state funds on the project, and this occurs at a specific point in the process. Two counties have sought these loans (San Bernardino and Calaveras), and in both cases loans were approved. The other counties will follow in this process at the appropriate time.

- Based on input received from counties as they reviewed and negotiated the various state/county contractual agreements that were established for this AB 900 construction financing process, a number of revisions were made to the contractual agreement templates. Those global changes have been made available to all of the counties.

Recommendation/Action Needed:

Information only.